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TESTIMONY OF

ROBERT J. PROCTER

Witnesses for Bonneville Power Administration

**SUBJECT: Nonfirm Energy (NF-02) Rate Schedule; Discontinuation of Power Shortage  
And Reserve Power Rate Schedules**

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**SUBJECT: NONFIRM ENERGY (NF-02) RATE SCHEDULE; DISCONTINUATION  
OF POWER SHORTAGE AND RESERVE POWER RATE SCHEDULES**

**Section 1. Introduction and Purpose of Testimony**

*Q. Please state your names and qualifications.*

A. My name is Robert Procter and my qualifications are contained in WP-02-Q-BPA-60.

*Q. Please describe the purpose of your testimony.*

A. The purpose of this testimony is to: 1) propose several changes to the Nonfirm Power (NF-96) rate schedule; 2) explain Bonneville Power Administration's (BPA) decision to discontinue the Reserve Power (RP-96) and Power Shortage (PS-96) rate schedules.

*Q. How is your testimony organized?*

A. My testimony is organized in three additional sections. Section 2 describes the proposed changes to the NF rate schedule. Section 3 presents BPA's reasons for proposing to discontinue the PS-96. Section 4 presents BPA's reason for proposing to discontinue the RP-96 rate schedule.

**Section 2. Proposed Changes to NF-96 Rate Schedule**

*Q. What changes are you proposing to the NF-96 rate schedule?*

A. First, since the NF rate cap has expired, we are deleting the following sentence "all rates and any subsequent adjustments contained in this rate schedule shall not exceed in total the NF Rate Cap calculated in accordance with the methodology specified in the Adjustments, Charges, and Special Rate Provisions section of this document." Second, we are deleting the sentence "For purchases under NF-96 rate schedule, transmission service shall be charged under the applicable transmission rate schedule." Third, we are

1 adding Unauthorized Increase to the list of Special Rate provisions. Fourth, we are  
2 proposing a one word substitution in Section III C (3), substituting the word “minus” for  
3 the word “less” and that section will now read as follows: “that have an Incremental Cost  
4 greater than the Standard Rate (plus the intertie charge, if applicable) minus 2 mills.”  
5 Fifth, we are updating the average cost of nonfirm energy using the methodology that  
6 was used in 1996.

7 *Q. Please explain these changes.*

8 A. First, we are deleting the sentence about the NF rate cap since the rate cap expired prior  
9 to the effective date of these rates. Second, we are deleting the transmission rate  
10 schedule language because of the addition of Section V that addresses transmission.  
11 Third, we are adding Unauthorized Increase as a Special Rate Provision to provide the  
12 ability to cover this event when the applicable contract is a NF contract. Fourth, the  
13 language in Section III C (3) is ambiguous and this clarification is being provided to  
14 make that language clearer. Fifth, as we do in every rate case, we re-estimated the  
15 average cost of nonfirm energy as part of the overall re-examination of cost and revenues,  
16 and that calculation is contained in Wholesale Power Rate Design Study 05A, WP-02-E-  
17 BPA-058, Section 2.3, Table RDS05.

18 **Section 3. Discontinuation of RP-96 Rate Schedule**

19 *Q. Why is the RP-96 rate schedule being allowed to expire?*

20 A. There is no existing contract for which we need this rate schedule.

21 *Q. Do you anticipate any future sales under the RP-96 rate?*

22 A. No. Should there be a need to enter into such type of sale in the future, BPA would use  
23 the FPS-96 rate schedule.

24 **Section 4. Discontinuation of PS-96 Rate Schedule**

25 *Q. Why is the PS-96 rate schedule being allowed to expire?*

1 A. The share-the-shortage agreement for which this rate schedule was developed has  
2 expired.

3 *Q. Does this conclude your testimony?*

4 A. Yes.